



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

By First Class Mail

AUG 10 2007

Glenn M. Willard
Patton Boggs, LLP
2550 M Street, NW
Washington, DC 20037-1350

RE: MUR 5731
DeRossett for Congress and Lon Jean
Lobbestael, in her official capacity as
treasurer, Oscar Gene DeRossett

Dear Mr. Willard:

On August 8, 2007, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of violations of 2 U.S.C. § 441a-1(b)(1), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), and 11 C.F.R. §§ 400.21(b) and 400.25. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the \$29,000 balance on the \$59,000 civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Dominique Dillenseger
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

DeRossett for Congress and Lori Jean)
Lobbestael, in her official capacity as treasurer)
Oscar Gene DeRossett)

MUR 5731

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (the "Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that DeRossett for Congress and Lori Jean Lobbestael, in her official capacity as treasurer (the "Committee"), violated 2 U.S.C. § 441a-1(b)(1) and 11 C.F.R. § 400.21(b), and that Oscar Gene DeRossett violated 2 U.S.C. § 441a-1(b)(1) and 11 C.F.R. § 400.25. The Committee and Mr. DeRossett are collectively referred to as "Respondents."

NOW, THEREFORE, the Commission and the Respondent(s), having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding.

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

Background

1. DeRossett for Congress is a political committee within the meaning of 2 U.S.C. § 431(4). It is the authorized committee for Oscar Gene DeRossett, a candidate in the primary election for the House of Representatives from the 7th Congressional District in Michigan in 2004.

2. Lori Jean Lobbestael is the treasurer of DeRossett for Congress.

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The Law

3. When a candidate for the U.S. House of Representatives makes an aggregate expenditure of personal funds with respect to an election in excess of \$350,000, the candidate or his or her authorized committee must file a notification (FEC Form 10) within 24 hours of exceeding that threshold.¹ See 2 U.S.C. § 441a-1(b)(1)(C); 11 C.F.R. § 400.21(b). An expenditure from personal funds includes loans by the candidate to his authorized committee using personal funds. 2 U.S.C. § 441a-1(b)(1)(A)(ii); 11 C.F.R. § 400.4(a)(2).

4. The required notification must be filed with the Commission, with each candidate in the same election, and with the national party of each such candidate. 2 U.S.C. § 441a-1(b)(1)(F); 11 C.F.R. § 400.21(b). Required notifications must include the date and amount of each expenditure from personal funds since the last notification and the total amount of expenditures from personal funds from the beginning of the election cycle to the date of the expenditure that triggered the notification. 2 U.S.C. § 441a-1(b)(1)(E); 11 C.F.R. §§ 400.24(b) and 400.23. Once the candidate has exceeded the \$350,000 threshold, his authorized committee must also file notifications for each additional expenditure from personal funds exceeding \$10,000 in connection with the election. 2 U.S.C. § 441a-1(b)(1)(D); 11 C.F.R. § 400.22(b). An election cycle runs from the date after the most recent election for the specific office to the date of the next election for that office. 11 C.F.R. § 400.2(a). The primary and general elections are considered separate election cycles. 11 C.F.R. § 400.2(b).

5. Candidates are responsible for ensuring that FEC Form 10 is properly filed. 11 C.F.R. § 400.25.

¹ A House candidate's personal expenditures could entitle his opponents to a threefold increase in the contribution limit under 2 U.S.C. § 441a(a)(1)(A) and a waiver of the limits on coordinated party expenditures under 2 U.S.C. § 441a(d). See 2 U.S.C. § 441a-1(a); 11 C.F.R. § 400.41

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The Facts

6. On March 31, 2004, Mr. DeRossett loaned \$230,000 to the Committee.

7. This loan resulted in a total of \$451,000 of personal funds that he provided to the Committee, thereby exceeding the \$350,000 threshold that triggers the requirement for filing FEC Form 10.

8. The Committee filed FEC Form 10 on April 19, 2004, which was 18 days late.

9. The Committee does not contest the fact that it filed FEC Form 10 late. In response to a Request for Additional Information, the Committee explained that it only became aware of its obligation to file this form on the date that the Committee actually filed it (April 19, 2004).

V. DeRossett for Congress and Lori Jean Lobbestael, in her official capacity as treasurer, violated 2 U.S.C. § 441a-1(b)(1) and 11 C.F.R. § 400.21(b) by failing to file a timely notification of the candidate's expenditure of personal funds in excess of \$350,000. DeRossett for Congress and Lori Jean Lobbestael, in her official capacity as treasurer, will cease and desist from violating 2 U.S.C. § 441a-1(b)(1) and 11 C.F.R. § 400.21(b).

VI. Mr. DeRossett violated 2 U.S.C. § 441a-1(b)(1) and 11 C.F.R. § 400.25 by failing to ensure that his Committee timely filed a notification of the candidate's expenditure of personal funds in excess of \$350,000. Mr. DeRossett will cease and desist from violating 2 U.S.C. § 441a-1(b)(1) and 11 C.F.R. § 400.25.

VII. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Fifty-Nine Thousand Dollars (\$59,000.00), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has

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been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

IX. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

X. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XI. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Thomaseia P. Duncan
General Counsel

BY:


Ann Marie Terzaken
Acting Associate General Counsel

8/9/07
Date

FOR THE RESPONDENTS:



Glenn M. Willard
Counsel for Respondents

July 26, 2007

Date

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